GOVERNMENT OF INDIA
HEALTH AND FAMILY WELFARE
LOK SABHA

UNSTARRED QUESTION NO:2595
ANSWERED ON:10.08.2005
VAT ON POLIO VACCINE
Pandey Dr. Laxminarayan;Tripathi Shri Chandramani

Will the Minister of HEALTH AND FAMILY WELFARE be pleased to state:

(a) whether imposition of VAT on polio vaccine is likely to have adverse effect on the polio eradication programme ;

(b) if so, the details thereof;

(c) whether the UN is considering to procure this vaccine from other countries owing to it being costlier in India ; and

(d) if so, the details of the action taken by the Government in this regard ?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF HEALTH & FAMILY WELFARE (SMT. PANABAKA LAKSHMI)

(a) & (b): Vaccines are included under category `Drugs and Medicines` at entry, S.No.16 in Third Schedule appended to the Deli Value Added Tax, Act,2004. (Notification no.F.101 (328)/2005-Fin (A/cs)
(ii)/548 dated 11th May,2005). There is no separate distinction for Polio Vaccines in the Act. However, the imposition of VAT does not have any adverse effect on the polio eradication programme, as all the procurements are made through UNICEF and as per Central Sales Tax Act, 1956 (section 6, sub-section 3&4 under Chapter III), no tax shall be payable by any dealer in respect of sale of any goods made by such dealer, in the course of Inter State trade or commerce, to any official, personnel, consular or diplomatic agent or the United Nations or other body.

(c) & (d): No Sir. For the Pulse Polio programme UNICEF procures Oral Polio Vaccine through International Competitive Bidding in which WHO prequalified Indian manufacturers also participate. Govt. of India has advised UNICEF to procure vaccine from the lowest bidder (LI) to its offered capacity followed by the remaining quantities from next higher bidder. During 2004-05 UNICEF has procured the Oral Polio Vaccine from the Indian manufacturer (Panacea Biotec Ltd.)